

103D CONGRESS
1ST SESSION

H. R. 1269

To establish a comprehensive recovery program for communities, businesses, and workers adversely affected by the closure or realignment of military installations.

IN THE HOUSE OF REPRESENTATIVES

MARCH 9, 1993

Ms. SNOWE introduced the following bill; which was referred jointly to the Committees on Armed Services, Energy and Commerce, Ways and Means, Government Operations, Education and Labor, Banking, Finance and Urban Affairs, and Public Works and Transportation

A BILL

To establish a comprehensive recovery program for communities, businesses, and workers adversely affected by the closure or realignment of military installations.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Comprehensive Base Closure Reform and Recovery Act
6 of 1993”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—ENVIRONMENTAL RESTORATION AT CERTAIN MILITARY INSTALLATIONS TO BE CLOSED

Sec. 101. Cleanup schedule for certain bases on Superfund National Priorities List.

TITLE II—TAX INCENTIVES RELATING TO FEDERAL MILITARY BASE CLOSURES AND REALIGNMENTS

Sec. 201. Amendment of 1986 code.

Sec. 202. Hiring and investment incentives.

Sec. 203. Treatment of amounts paid on account of military base closings.

TITLE III—ECONOMIC ADJUSTMENT AND CONVERSION ASSISTANCE

Sec. 301. Authorization of appropriations for community economic adjustment assistance and emphasis on providing such assistance to the most seriously affected communities.

Sec. 302. Loan guaranty program.

Sec. 303. Increase in average amount of economic planning grants provided by the Office of Economic Adjustment.

Sec. 304. Adjustment assistance for employees.

Sec. 305. Conveyance of closed bases to neighboring communities.

Sec. 306. Preference for local and small businesses.

Sec. 307. Expansion of homeowners assistance program to include employees of local educational agencies adversely affected by base closures.

1 TITLE I—ENVIRONMENTAL RES- 2 TATION AT MILITARY IN- 3 STALLATIONS TO BE CLOSED

4 SEC. 101. CLEANUP SCHEDULE FOR CERTAIN BASES ON 5 SUPERFUND NATIONAL PRIORITIES LIST.

6 (a) CLEANUP SCHEDULE FOR CERTAIN BASES ON
7 NATIONAL PRIORITIES LIST.—(1) Before a military in-
8 stallation described in subsection (c) is closed or substan-
9 tial reductions in its operations have occurred, at least 75
10 percent of the remedial action required on the installation
11 pursuant to the Comprehensive Environmental Response,

1 Compensation, and Liability Act of 1980 (42 U.S.C. 9601
2 et seq.) shall be completed.

3 (2) Not later than two years after a military installa-
4 tion described in subsection (c) is closed or substantial re-
5 ductions in its operations have occurred, all of the reme-
6 dial action required on the installation pursuant to such
7 Act shall be completed.

8 (b) MEANING OF SUBSTANTIAL REDUCTIONS.—For
9 purposes of subsection (a), substantial reductions in the
10 operations of a military installation shall be considered to
11 have occurred if more than 50 percent of the personnel
12 assigned to the installation, including employees and mem-
13 bers of the Armed Forces, have been reassigned and
14 moved to another installation.

15 (c) APPLICABILITY.—This section applies to each
16 military installation—

17 (1) which is on the National Priorities List
18 under the Comprehensive Environmental Response,
19 Compensation, and Liability Act of 1980 (42 U.S.C.
20 9601 et seq.); and

21 (2) which is to be closed pursuant to title II of
22 the Defense Authorization Amendments and Base
23 Closure and Realignment Act (Public Law 100–526;
24 10 U.S.C. 2687 note), pursuant to the Defense Base
25 Closure and Realignment Act of 1990 (part A of

1 title XXIX of Public Law 101–510; 10 U.S.C. 2687
 2 note), or otherwise by the Department of Defense.

3 (d) DEFINITION.—For purposes of this section, the
 4 term “remedial action” has the meaning given that term
 5 by section 101 of the Comprehensive Environmental Re-
 6 sponse, Compensation, and Liability Act of 1980 (42
 7 U.S.C. 9601 et seq.).

8 **TITLE II—TAX INCENTIVES RE-**
 9 **LATING TO FEDERAL MILI-**
 10 **TARY BASE CLOSURES AND**
 11 **REALIGNMENTS**

12 **SEC. 201. AMENDMENT OF 1986 CODE.**

13 Except as otherwise expressly provided, whenever in
 14 this title an amendment or repeal is expressed in terms
 15 of an amendment to or repeal of a section or other provi-
 16 sion, such amendment or repeal shall be treated as made
 17 to a section or other provision of the Internal Revenue
 18 Code of 1986.

19 **SEC. 202. HIRING AND INVESTMENT INCENTIVES.**

20 (a) IN GENERAL.—Chapter 1 (relating to normal tax
 21 and surtax rules) is amended by inserting after subchapter
 22 T the following new subchapter:

23 **“Subchapter U—Tax Incentives Relating to**
 24 **Closed Federal Military Installations**

“Part I. Definitions.

“Part II. Hiring incentives.

“Part III. Investment incentives.

“PART I—DEFINITIONS

“Sec. 1391. Definitions.

2 “SEC. 1391. DEFINITIONS.

3 “(a) APPLICABLE FEDERAL MILITARY INSTALLA-
4 TION.—For purposes of this subchapter, the term ‘appli-
5 cable Federal military installation’ means a Federal mili-
6 tary installation or other facility which is closed or re-
7 aligned under—

8 “(1) the Defense Base Closure and Realign-
9 ment Act of 1990 (10 U.S.C. 2687 note),

10 “(2) title II of the Defense Authorization
11 Amendments and Base Closure and Realignment
12 Act (10 U.S.C. 2687 note), or

13 “(3) section 2687 of title 10, United States
14 Code.

15 “(b) TERMINATED EMPLOYEE.—For purposes of this
16 subchapter—

17 “(1) IN GENERAL.—The term ‘terminated em-
18 ployee’ means an individual who is certified, under
19 procedures similar to the procedures described in
20 section 51(d)(16), as being an individual (whether or
21 not a Federal employee)—

22 “(A) who was employed on an applicable
23 Federal military installation, and

1 “(B) whose job was terminated by reason
2 of the closing or realignment of such installa-
3 tion.

4 “(2) LIMITATION.—An individual shall not be
5 treated as a terminated employee with respect to any
6 job termination after the later of—

7 “(A) the close of the 2nd calendar year fol-
8 lowing the calendar year in which the an-
9 nouncement of the job termination occurs, or

10 “(B) the close of the 1-year period begin-
11 ning with the date on which the employee first
12 begins work for any employer after the job
13 termination.

14 **“PART II—HIRING INCENTIVES**

 “Sec. 1392. Targeted jobs credit.

15 **“SEC. 1392. TARGETED JOBS CREDIT.**

16 “For purposes of section 38, a terminated employee
17 shall be treated as a member of a targeted group for pur-
18 poses of determining the targeted jobs credit under section
19 51.

20 **“PART III—INVESTMENT INCENTIVES**

 “Sec. 1393. Capital incentives.

1 **“SEC. 1393. CAPITAL INCENTIVES.**

2 “(a) REDUCTION IN RECOVERY PERIOD FOR
3 NONRESIDENTIAL REAL AND RESIDENTIAL RENTAL
4 PROPERTY.—

5 “(1) IN GENERAL.—For purposes of section
6 168, the applicable recovery period—

7 “(A) for any qualified nonresidential real
8 property shall be 21.5 years, and

9 “(B) for any qualified residential rental
10 property shall be 17.5 years.

11 “(2) QUALIFIED PROPERTY.—For purposes of
12 paragraph (1), the term ‘qualified nonresidential
13 real property’ or ‘qualified residential rental prop-
14 erty’ means nonresidential real property (as defined
15 in section 168(e)(2)(B)) or residential rental prop-
16 erty (as defined in section 168(e)(2)(A)), whichever
17 is applicable, which—

18 “(A) is located on an applicable Federal
19 military installation,

20 “(B) is used by the taxpayer predomi-
21 nantly in the active conduct of a trade or busi-
22 ness on such installation, and

23 “(C) is placed in service by the taxpayer
24 during the 15-year period beginning on the date
25 of the announcement of the closure or realign-
26 ment of such installation.

1 “(b) INCREASE IN AMOUNT WHICH MAY BE EX-
2 PENSED.—

3 “(1) IN GENERAL.—In the case of qualified sec-
4 tion 179 property—

5 “(A) the limitation under subsection (b)(1)
6 of section 179 with respect to such property
7 shall be equal to the amount determined under
8 paragraph (2), and

9 “(B) subsection (b)(2) of section 179 shall
10 not apply with respect to such property.

11 “(2) AMOUNT WHICH MAY BE EXPENSED.—For
12 purposes of paragraph (1)(A), the amount under
13 this paragraph shall be equal to the excess (if any)
14 of—

15 “(A) the lesser of—

16 “(i) 25 percent of the cost of the
17 qualified section 179 property (or, if great-
18 er, \$10,000), or

19 “(ii) \$200,000, over

20 “(B) the cost of section 179 property for
21 the taxable year which is not qualified section
22 179 property.

23 “(3) QUALIFIED PROPERTY.—For purposes of
24 this subsection—

1 “(A) IN GENERAL.—The term ‘qualified
2 section 179 property’ means section 179 prop-
3 erty which is used by the taxpayer predomi-
4 nantly in the active conduct of a trade or busi-
5 ness on an applicable Federal military installa-
6 tion.

7 “(B) EXCEPTIONS.—The term ‘qualified
8 section 179 property’ does not include—

9 “(i) property which is used or located
10 outside of an applicable Federal military
11 installation on any regular basis, or

12 “(ii) property the original use of
13 which commences with the taxpayer after
14 the close of the 15-year period beginning
15 on the date of the announcement of the
16 closing or realignment of such installation.

17 “(C) OTHER TERMS.—The terms ‘cost’
18 and ‘section 179 property’ have the meanings
19 given such terms by section 179.

20 “(c) RELATED PARTIES.—

21 “(1) IN GENERAL.—No property shall be treat-
22 ed as qualified nonresidential real property, qualified
23 residential rental property, or qualified section 179
24 property if it is acquired (directly or indirectly) by

1 the taxpayer from a person who is related to the tax-
2 payer as of the time of the acquisition.

3 “(2) RELATED PERSON.—For purposes of para-
4 graph (1), a person (hereafter in this subparagraph
5 referred to as the ‘related person’) is related to any
6 other person if—

7 “(A) the related person bears a relation-
8 ship to such other person specified in section
9 267(b) or 707(b)(1), or

10 “(B) the related person and such other
11 person are engaged in trades or businesses
12 under common control (within the meaning of
13 subsections (a) and (b) of section 52).

14 For purposes of subparagraph (A), ‘10 percent’ shall
15 be substituted for ‘50 percent’ in applying sections
16 267(b)(1) and 707(b)(1). In the case of the acqui-
17 sition of any property by any partnership which re-
18 sults from the termination of another partnership
19 under section 708(b)(1)(B), the determination under
20 this paragraph of whether the acquiring partnership
21 is related to the other partnership shall be made im-
22 mediately before the event resulting in such termi-
23 nation.

24 “(d) SPECIAL RULES FOR RECAPTURE IN CASE OF
25 DISPOSITIONS, ETC.—

1 “(1) IN GENERAL.—If, during any taxable year,
2 property which is qualified nonresidential real prop-
3 erty, qualified residential rental property, or quali-
4 fied section 179 property—

5 “(A) is disposed of other than to a person
6 who is to continue the use of such property as
7 qualified property, or

8 “(B) in the case of qualified section 179
9 property, is removed from the applicable Fed-
10 eral military installation, or otherwise ceases to
11 be used in the active conduct of a trade or busi-
12 ness on such installation,
13 the tax under this chapter for such taxable year
14 shall be increased by the amount described in para-
15 graph (2).

16 “(2) AMOUNT OF INCREASE.—The increase in
17 tax under paragraph (1) shall equal the amount
18 which bears the same ratio to the aggregate decrease
19 in the tax for all prior taxable years which resulted
20 solely from the application of this section to the
21 property as the number of taxable years that the
22 property was held by the taxpayer bears to the appli-
23 cable recovery period for such property under section
24 312(k).”

1 (b) CONFORMING AMENDMENT.—The table of sub-
2 chapters for chapter 1 is amended by inserting after the
3 item relating to subchapter T the following new item:

“SUBCHAPTER U. Tax incentives relating to closed Federal mili-
tary installations.”

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years beginning after
6 the date of the enactment of this Act.

7 **SEC. 203. TREATMENT OF AMOUNTS PAID ON ACCOUNT OF**
8 **MILITARY BASE CLOSINGS.**

9 (a) IN GENERAL.—Section 1034 (relating to rollover
10 of gain on sale of principal residence) is amended by redes-
11 ignating subsection (l) as subsection (m) and by inserting
12 after subsection (k) the following new subsection:

13 “(l) TREATMENT OF AMOUNTS PAID ON ACCOUNT
14 OF MILITARY BASE CLOSINGS.—Amounts received under
15 section 1013(c)(1) of the Demonstration Cities and Metro-
16 politan Development Act of 1966 (42 U.S.C.
17 3374(c)(1))—

18 “(1) shall be treated for purposes of this chap-
19 ter as part of the amount realized on the sale of the
20 residence, and

21 “(2) shall not be treated for purposes of this
22 title as compensation for services.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply to amounts received in taxable
3 years beginning after December 31, 1993.

4 **TITLE III—ECONOMIC ADJUST-**
5 **MENT AND CONVERSION AS-**
6 **SISTANCE**

7 **SEC. 301. AUTHORIZATION OF APPROPRIATIONS FOR COM-**
8 **MUNITY ECONOMIC ADJUSTMENT ASSIST-**
9 **ANCE AND EMPHASIS ON PROVIDING SUCH**
10 **ASSISTANCE TO THE MOST SERIOUSLY AF-**
11 **FECTED COMMUNITIES.**

12 (a) PRIORITY FOR THE MOST SERIOUSLY AFFECTED
13 COMMUNITIES.—Subsection (a) of section 4103 of the De-
14 fense Economic Adjustment, Diversification, Conversion,
15 and Stabilization Act of 1990 (division D of Public Law
16 101–510; 104 Stat. 1851) is amended by adding at the
17 end the following new sentences: “In making economic ad-
18 justment assistance available under this section, the Eco-
19 nomic Development Administration shall ensure that
20 funds are reserved for communities identified as the most
21 substantially and seriously affected by the closure or re-
22 alignment of a military installation or the curtailment,
23 completion, elimination, or realignment of a major defense
24 contract or subcontract. The Administration shall identify

1 such communities through the use of objective evidence,
2 such as increasing unemployment.”.

3 (b) AUTHORIZATION OF APPROPRIATIONS.—Sub-
4 section (b) of such section is amended by striking out the
5 first sentence and inserting in lieu thereof the following:
6 “There are authorized to be appropriated to the Secretary
7 of Defense to carry out subsection (a) \$200,000,000 for
8 each of the fiscal years 1994 through 1996.”.

9 **SEC. 302. LOAN GUARANTY PROGRAM.**

10 (a) ESTABLISHMENT.—The Secretary of Defense
11 shall establish a program to guarantee loans made by ap-
12 proved lenders to civilian employees of the Department of
13 Defense employed at or in connection with a military in-
14 stallation in the United States to be closed or realigned
15 pursuant to the Defense Base Closure and Realignment
16 Act of 1990 (part A of title XXIX of Public Law 101–
17 510; 10 U.S.C. 2687 note) or title II of the Defense Au-
18 thorization Amendments and Base Closure and Realign-
19 ment Act (Public Law 100–526; 10 U.S.C. 2687 note).

20 (b) AMOUNT OF GUARANTY.—The total amount of
21 loans guaranteed under subsection (a) for an employee re-
22 ferred to in that subsection may not exceed \$10,000.

23 (c) APPLICATION FOR GUARANTY.—An employee re-
24 ferred to subsection (a) shall submit an application to the
25 Secretary, in such form and manner as the Secretary may

1 require, to receive a loan guaranty under that subsection.
2 Subject to the approval of the Secretary, the employee
3 may designate the loan to which the guaranty shall apply.
4 The designation of a loan may not be changed after a cer-
5 tificate of guaranty is issued for the loan until the loan
6 is completely paid.

7 (d) CERTIFICATE OF GUARANTY.—When a loan is
8 guaranteed under this section, the Secretary shall provide
9 the lender with a loan guaranty certificate or other evi-
10 dence of the guaranty. The lender may require the certifi-
11 cate as a condition of making the loan.

12 (e) APPROVED LENDERS.—A loan may be guaran-
13 teed under this section only if made—

14 (1) by a Federal land bank, national bank,
15 State bank, private bank, building and loan associa-
16 tion, insurance company, credit union, or mortgage
17 and loan company, that is subject to examination
18 and supervision by an agency of the United States
19 or of a State; or

20 (2) by any other lender approved by the Sec-
21 retary under standards established by the Secretary.

22 (f) DEFAULT.—In the event of default in the pay-
23 ment of a loan guaranteed under this section, the holder
24 of the obligation shall notify the Secretary. Upon receipt
25 of that notice, the Secretary shall pay to the holder an

1 amount equal to the amount of the loan in default or the
2 amount of originally guaranteed, whichever is less. The
3 Secretary shall be subrogated to the rights of the holder
4 to the extent of the amount paid by the Secretary.

5 **SEC. 303. INCREASE IN AVERAGE AMOUNT OF ECONOMIC**
6 **PLANNING GRANTS PROVIDED BY THE OF-**
7 **FICE OF ECONOMIC ADJUSTMENT.**

8 Section 2391(b) of title 10, United States Code, is
9 amended by adding at the end the following new para-
10 graph:

11 “(6) In the case of a State or local government di-
12 rectly and adversely affected by the closure of a military
13 installation, the average amount of assistance made avail-
14 able under paragraph (1) to that State or local govern-
15 ment for planning community adjustments and economic
16 diversification in consequence of that closure shall not be
17 less than \$250,000 per year during the course of that clo-
18 sure.”.

19 **SEC. 304. ADJUSTMENT ASSISTANCE FOR EMPLOYEES.**

20 Section 4203(a) of the Defense Economic Adjust-
21 ment, Diversification, Conversion, and Stabilization Act of
22 1990 (division D of Public Law 101-510; 104 Stat. 1853)
23 is amended by inserting after “fiscal year 1991” the fol-
24 lowing: “and \$250,000,000 for each of the fiscal years
25 1994 through 1996.”.

1 **SEC. 305. CONVEYANCE OF CLOSED BASES TO NEIGHBOR-**
2 **ING COMMUNITIES.**

3 (a) FINDINGS AND PURPOSES.—(1) The Congress
4 finds the following:

5 (A) The Department of Defense has been di-
6 rected to reduce the size and cost of the military and
7 this can only be accomplished by closing military
8 installations.

9 (B) A military installation is a part of the in-
10 frastructure of the community in which it is located
11 and there is a long standing symbiotic relationship
12 between a military installation and the community.

13 (C) The people in an impacted community have
14 made substantial, long term investments of time,
15 training, and wealth to support the military installa-
16 tion.

17 (D) The loss to an impacted community when
18 a military installation is closed may be substantial
19 and in such cases the Congress wishes to mitigate
20 the damage to the impacted community.

21 (E) An impacted community knows best the
22 needs of the community and the best way to use
23 available resources to meet these needs consistent
24 with existing national priorities.

25 (F) Unfettered ownership of the real property
26 associated with a closed military installation at the

1 earliest possible time can partially offset the loss to
2 a community which results when a military installa-
3 tion is closed.

4 (2) The purposes of this section are as follows:

5 (A) To benefit communities impacted signifi-
6 cantly when a military installation located in such
7 communities is closed by authorizing the real and
8 excess related personal property on which the mili-
9 tary installations are located to be conveyed to the
10 impacted community as soon as possible after a deci-
11 sion to close the military installation is made but no
12 later than 180 days after closure.

13 (B) To provide significantly impacted commu-
14 nities a resource which will aid in mitigating the loss
15 incurred by the community following a decision to
16 close a military installation and which may be used
17 by the impacted community, as the community
18 deems appropriate, for industrial, commercial, resi-
19 dential, recreational, or public uses.

20 (b) IN GENERAL.—Notwithstanding any other provi-
21 sion of law, the Secretary of Defense shall convey to an
22 eligible political subdivision or subdivisions of a State or
23 to the State in accordance with this section all right, title,
24 and interest of the United States in the military installa-
25 tion closed pursuant to a base closure law.

1 (c) ADVANCE NOTICE TO ELIGIBLE STATES AND PO-
2 LITICAL SUBDIVISIONS.—As soon as practicable after a
3 military installation has been identified for closure, but in
4 any event not later than the date on which the installation
5 is closed, the Secretary shall transmit to the appropriate
6 State, and political subdivisions, communities, and coun-
7 ties of the State to which property at such installation may
8 be conveyed pursuant to this section, advance notification
9 of the Secretary's intention to make a conveyance of the
10 property of the installation.

11 (d) ELIGIBLE STATES AND POLITICAL SUBDIVI-
12 SIONS.—Property at a military installation that is to be
13 conveyed under subsection (b) shall be conveyed to a polit-
14 ical subdivision or subdivisions or State in the following
15 order of priority:

16 (1) The Secretary shall convey the property to
17 a political subdivision of a State that is designated
18 in State law to receive the conveyance of such prop-
19 erty and accepts the conveyance.

20 (2) If there is no political subdivision des-
21 ignated to receive the property pursuant to para-
22 graph (1), the Secretary shall convey the property to
23 the State in which the property is located if the law
24 of that State designates the State to receive the con-

1 conveyance of such property and the State accepts the
2 conveyance.

3 (3) In the case of any real property for which
4 neither a State nor a political subdivision of a State
5 is designated pursuant to paragraph (1) or (2), the
6 Secretary shall consult with appropriate State and
7 local officials to determine the distribution of the
8 property that would best serve the interests of the
9 residents of the State and affected political subdivi-
10 sions of the State. The Secretary shall convey the
11 property in accordance with the determination made
12 under this paragraph if the selected political subdivi-
13 sion or subdivisions agree to accept the property.

14 (4) In the case of any real property that is not
15 accepted under the preceding paragraphs, the Sec-
16 retary shall offer the property to other departments
17 and agencies of the Federal Government.

18 (e) PROPERTY TO BE CONVEYED.—In addition to
19 the conveyance of real property to a State or political sub-
20 division pursuant to this section, the Secretary shall con-
21 vey any related personal property that the Secretary deter-
22 mines is appropriate for use by the recipient in connection
23 with the recipient's use of the real property. Pending such
24 conveyance, the Secretary shall maintain the real property

1 and personal property to prevent the deterioration of the
2 property.

3 (f) CONSIDERATION NOT TO BE REQUIRED.—No
4 consideration may be required for a conveyance of prop-
5 erty pursuant to this section.

6 (g) WAIVER AUTHORITY.—(1) Subject to paragraph
7 (3), the President may waive in whole or in part the re-
8 quirement to convey property at a military installation
9 under subsection (b) if the President—

10 (A) determines that the continuation of the
11 United States interest in such property—

12 (i) is vital to national security interests; or

13 (ii) the value of the installation is so high
14 that a conveyance to the political subdivision or
15 State would constitute an undue windfall to the
16 community and would not be necessary for the
17 economic recovery of the region; and

18 (B) transmits to Congress a certification of
19 such determinations together with the reasons for
20 such determinations.

21 (2) The total number of waivers made under para-
22 graph (1) may not exceed five military installations for
23 each package of closures approved by Defense Base Clo-
24 sure And Realignment Commission under a base closure
25 Law, except that a waiver in part shall not count against

1 this total if the value of the property reserved does not
2 exceed 25 percent of the total value of such installation
3 or if the appropriate political subdivision or State agrees
4 with the reservation.

5 (3) A determination and certification in the case of
6 the closure of any military installation shall be effective
7 only if made before the earlier of—

8 (A) the date on which the installation is closed;
9 or

10 (B) December 31 of the year following the year
11 in which the closure of that installation is approved
12 by the President.

13 (4) The President may extend the deadline for mak-
14 ing a determination and certification under paragraph (3)
15 for not more than two successive periods of 90 days by
16 transmitting to Congress a notification of the extension
17 before the end of the deadline or extended deadline, as
18 the case may be.

19 (5) The President may withdraw a waiver under
20 paragraph (1) in the case of any military installation. Not
21 later than 180 days after the withdrawal of the waiver,
22 the Secretary of Defense shall make the conveyance re-
23 quired by subsection (b) in accordance with this section.

24 (h) CONTINUING RESPONSIBILITY OF THE DEPART-
25 MENT OF DEFENSE.—Prior to and after any conveyance

1 of real property of a closed military installation pursuant
2 to this section, the Secretary of Defense, in consultation
3 with the appropriate political subdivision or State, shall
4 be responsible for providing economic adjustment and
5 community planning assistance (including assistance in
6 conducting public hearings to decide the appropriate use
7 of a closed military installation) to communities near the
8 closed military installation until such time as the economic
9 stability of such communities is achieved, as determined
10 by the Secretary.

11 (i) SOURCES OF FUNDING.—The Secretary may ex-
12 pend any funds in a base closure account to carry out the
13 responsibilities referred to in subsection (h). The Sec-
14 retary shall notify Congress in advance of the obligation
15 of funds for such purpose.

16 (j) IMPROVEMENT OF PROPERTY PENDING CONVEY-
17 ANCE.—(1) Notwithstanding any other provision of law,
18 the Secretary of Defense and the head of any other de-
19 partment or agency of the Federal Government may con-
20 tinue, on and after the applicable date referred to in para-
21 graph (2), to obligate funds (to the extent available) for
22 making improvements to the property that has not been
23 conveyed that will facilitate the conveyance of the property
24 and are consistent with the use to be made of the property
25 by the recipient of the conveyance.

1 (2) Paragraph (1) applies in the case of property at
2 a military installation on and after the date on which the
3 closure of that installation is approved by the President.

4 (k) DEFINITIONS.—For purposes of the section:

5 (1) The term “military installation” has the
6 meaning given such term in section 2687(e)(1) of
7 title 10, United States Code.

8 (2) The term “base closure law” means the
9 following:

10 (A) The Defense Base Closure and Re-
11 alignment Act of 1990 (part A of title XXIX of
12 Public Law 101–510; 10 U.S.C. 2687 note).

13 (B) Title II of the Defense Authorization
14 Amendments and Base Closure and Realignment
15 Act (Public Law 100–526; 10 U.S.C.
16 2687 note).

17 (C) Section 2687 of title 10, United States
18 Code.

19 (3) The term “base closure account” means the
20 following:

21 (A) The Department of Defense Base Clo-
22 sure Account, as established by section 207(a)
23 of the Defense Authorization Amendments and
24 Base Closure and Realignment Act (Public Law
25 100–526; 10 U.S.C. 2687 note).

1 (B) The Department of Defense Base Clo-
2 sure Account 1990, as established by section
3 2906 of the Defense Base Closure and Realign-
4 ment Act of 1990 (part A of title XXIX of
5 Public Law 101–510; 10 U.S.C. 2687 note).

6 **SEC. 306. PREFERENCE FOR LOCAL AND SMALL BUSI-**
7 **NESSES.**

8 (a) PREFERENCE REQUIRED.—In entering into con-
9 tracts with private entities as part of the closure or re-
10 alignment of a military installation under a base closure
11 law, the Secretary of Defense shall give preference, to the
12 greatest extent practicable, to businesses located in the vi-
13 cinity of the installation and small business concerns. Con-
14 tracts for which this preference shall be given shall include
15 contracts to carry out activities for the environmental res-
16 toration and mitigation at a military installation to be
17 closed or realigned.

18 (b) DEFINITIONS.—For purposes of this section:

19 (1) The term “small business concern” has the
20 meaning given such term in section 3 of the Small
21 Business Act (15 U.S.C. 632).

22 (2) The term “base closure law” means the
23 following:

24 (A) The Defense Base Closure and Re-
25 alignment Act of 1990 (part A of title XXIX of

1 Public Law 101–510; 104 Stat. 1808; 10
2 U.S.C. 2687 note).

3 (B) Title II of the Defense Authorization
4 Amendments and Base Closure and Realignment
5 Act (Public Law 100–526; 10 U.S.C.
6 2687 note).

7 (C) Section 2687 of title 10, United States
8 Code.

9 **SEC. 307. EXPANSION OF HOMEOWNERS ASSISTANCE PRO-**
10 **GRAM TO INCLUDE EMPLOYEES OF LOCAL**
11 **EDUCATIONAL AGENCIES ADVERSELY AF-**
12 **FECTED BY BASE CLOSURES.**

13 (a) AVAILABILITY OF HOMEOWNERS ASSISTANCE.—
14 The Secretary of Defense shall make available assistance
15 under section 1013(c) of the Demonstration Cities and
16 Metropolitan Development Act of 1966 (42 U.S.C.
17 3374(c)) to eligible school employees of a local educational
18 agency that operates schools in which—

19 (1) students are enrolled who are dependent
20 children of members of the Armed Forces or of civil-
21 ian employees of the Department of Defense;

22 (2) enrollments of such students will decline as
23 a result of the closure of a military installation at
24 which the parents of such students are stationed or
25 employed; and

1 (3) at the time of the public announcement of
2 the closure of the military installation, such students
3 account for not less than 80 percent of the entire
4 student population of such schools.

5 (b) ELIGIBILITY CRITERIA FOR SCHOOL EMPLOY-
6 EES.—A school employee of a local educational agency de-
7 scribed in subsection (a) shall be eligible for the benefits
8 of section 1013(c) of the Demonstration Cities and Metro-
9 politan Development Act of 1966 if the school employee—

10 (1) at the time of the public announcement of
11 the closure of the military installation—

12 (A) is the owner-occupant of a dwelling
13 that is situated near the military installation;
14 and

15 (B) is employed by the local educational
16 agency; and

17 (2) after such announcement—

18 (A) is terminated or voluntarily released
19 from employment with the local educational
20 agency as a result of actual or anticipated en-
21 rollment reductions caused by the closure of the
22 military installation, as determined by the Sec-
23 retary; and

24 (B) relocates beyond normal commuting
25 distance of the owned dwelling or is unemployed

1 (not as a matter of personal choice) and able to
2 demonstrate to the Secretary such financial
3 hardship as to be unable to meet mortgage pay-
4 ments and related expenses as a result of that
5 unemployment.

6 (c) APPLICATION.—The Secretary shall establish by
7 rule an application procedure by which school employees
8 of a local educational agency described in subsection (a)
9 may apply for benefits under section 1013(c) of the Dem-
10 onstration Cities and Metropolitan Development Act of
11 1966. The rules shall include the time period after the
12 public announcement of the closure of a military installa-
13 tion within which such applications must be submitted.

14 (d) DEFINITIONS.—For purposes of this section:

15 (1) The term “local educational agency” has
16 the meaning given that term in section 1471(12) of
17 the Elementary and Secondary Education Act of
18 1965 (20 U.S.C. 2891(12)).

19 (2) The term “military installation” has the
20 meaning given that term in section 2687 of title 10,
21 United States Code.

22 (3) The term “school employee” includes a su-
23 perintendent, administrator, teacher, or custodial
24 and other support person employed by a local edu-
25 cational agency.

1 (4) The term “Secretary” means the Secretary
2 of Defense.

3 (e) EFFECTIVE DATE.—This section shall apply with
4 respect to closures of military installations under the De-
5 fense Base Closure and Realignment Act of 1990 (part
6 A of title XXIX of Public Law 101–510; 104 Stat. 1808;
7 10 U.S.C. 2687 note) and title II of Defense Authoriza-
8 tion Amendments and Base Closure and Realignment Act
9 (Public Law 100–526; 102 Stat. 2627; 10 U.S.C. 2687
10 note) announced before, on, or after the date of the enact-
11 ment of this Act.

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